

AR41

FIRST ORENADA MINES LIMITED

1969 PRODUCTION
1,000,000 TONS OF
ORE DUG AND
PROCESSED
1,000,000 TONS OF
CONCENTRATED
ORE SHIPPED
1,000,000 TONS OF
WASTE DUMPED

2,000,000 TONS
OF CONCENTRATE
SHIPPED

FIRST ORENADA MINES LIMITED

(No Personal Liability)

Annual Report

FOR THE YEAR
ENDED DECEMBER 31

1969

FIRST ORENADA MINES LIMITED

Bogota, Colombia
April 27, 1970

DIRECTORS

M. J. BOYLEN	- - - - -	Toronto, Ontario
DAVID W. GORDON	- - - - -	Toronto, Ontario
M. W. MacDOWELL	- - - - -	Brockville, Ontario
GORDON L. MOORE	- - - - -	Islington, Ontario
PHILIP E. BOYLEN	- - - - -	Willowdale, Ontario

OFFICERS

M. J. BOYLEN	- - - - -	President
M. W. MacDOWELL	- - - - -	Vice-President
DAVID W. GORDON	- - - - -	Vice-President
GORDON L. MOORE	- - - - -	Secretary-Treasurer
CHARLES B. BRANNIGAN	- - - - -	Assistant-Secretary

**TRANSFER AGENTS
AND REGISTRAR**

GUARANTY TRUST COMPANY OF CANADA
Toronto, Ontario, and Montreal, Quebec

AUDITORS

McDONALD, CURRIE & CO. - - - - - Toronto, Ontario

HEAD OFFICE

% RAYMOND CARON, Q.C.
22nd Floor, 630 Dorchester Boulevard West, Montreal 2, Quebec

EXECUTIVE OFFICE

908 - 330 Bay Street - - - - - Toronto, Ontario

FIRST ORENADA MINES LIMITED
(No Personal Liability)

FIRST ORENADA MINES LIMITED

(No Personal Liability)

Directors' Report

To the Shareholders:

The financial statements of the Company for the fiscal year ended December 31, 1969, notes relevant thereto and the Report of the Auditors, are submitted herewith.

NORTHWEST TERRITORIES

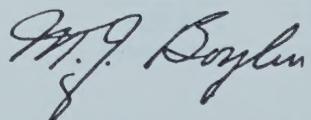
First Orenada has retained its 15% interest in 1,080 claims on Victoria Island. The claims are under the management of Grandroy Mines Limited, which holds a 50% interest and is presently making preparations for the coming season's extensive exploration program on favourable basalt formations that are similar to those of Kennicott's former rich producer in Alaska and the historically productive mines of the Keweenaw Peninsula of Michigan. During 1968 and 1969 copper metal and copper sulphides were found at numerous sites on the staked areas of Victoria Island, and the proposed program is expected to assess their importance and to locate further deposits of possible commercial significance.

PROVINCE OF QUEBEC

Your Company's property of 47 claims in Bourlamaque Township was under active exploration during 1969. A combined Induced Polarization and Electrical Resistivity survey was performed on five miles of picket lines, and detail surveying of the same expensive but exceptionally sensitive geophysical method covered an anomalous zone. Also in 1969, diamond drilling was done to the extent of 4,094 feet on and near the northern boundary of the property during a program performed jointly by Ducros Mines Limited and First Orenada Mines Limited.

The Induced Polarization surveying was resumed in March, 1970, and a long zone of conductivity has been outlined. Located on a part of the property where underground conditions are not yet known, the cause of this anomaly will require testing by diamond drilling in the immediate future. Another Induced Polarization anomaly, embracing an area where copper occurs in volcanic formations is the target of a diamond drilling program that has recently commenced.

On behalf of the Board of Directors,



President.

Toronto, Ontario,
April 27, 1970.

MCDONALD, CURRIE & CO.
CHARTERED ACCOUNTANTS

INTERNATIONAL FIRM
COOPERS & LYBRAND

TELEPHONE 366-2551

120 ADELAIDE STREET WEST
TORONTO 1, CANADA

March 19, 1970

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of First Orenada Mines Limited (No personal liability) as at December 31, 1969 and the statements of deficit, deferred expenditures and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

As stated in note 1 to the financial statements no provision has been made for a write down in the value of investments in and advances to other mining companies. We have been unable to determine the amount which may be realized on the disposal of these investments and advances.

Subject to the qualification set out in the preceding paragraph in our opinion these financial statements present fairly the financial position of the company as at December 31, 1969 and the results of its operations and the source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.,
Chartered Accountants.

FIRST ORENADA MINES LIMITED
 (No Personal Liability)

Balance Sheet as at December 31, 1969

ASSETS

	1969	1968
	\$	\$
Current assets		
Cash and short-term deposits	50,528	88,224
Accounts receivable	10,538	5,728
Prepaid fees	250	—
	<u>61,316</u>	<u>93,952</u>
Investments in and advances to other mining companies (note 1)	31,829	31,829
Mining properties — at cost (notes 2 and 3)	61,007	61,422
Deferred expenditures — at cost (note 3)	426,463	396,588
	<u><u>580,615</u></u>	<u><u>583,791</u></u>

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	888	977

SHAREHOLDERS' EQUITY

Capital stock (note 4)		
Authorized —		
5,000,000 shares of the par value of \$1 each		
Issued and fully paid —		
1,680,011 shares	1,680,011	1,680,011
Discount on shares	1,331,100	1,331,100
	<u>348,911</u>	<u>348,911</u>
Contributed surplus — arising on the re-organization of capital	526,227	526,227
	<u>875,138</u>	<u>875,138</u>
Deficit	295,411	292,324
	<u>579,727</u>	<u>582,814</u>
	<u><u>580,615</u></u>	<u><u>583,791</u></u>

Approved on behalf of the Board:

D. W. GORDON, Director.

G. L. MOORE, Director.

FIRST ORENADA MINES LIMITED

(No Personal Liability)

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 1969

1. Investments in and advances to other mining companies:

	Shares		
	Cost	Market value	Advances
	\$	\$	\$
Captain Mines Limited			
16,000 shares	1,943	2,011	—
Wesley Mines Limited			
55,000 shares	5,500	413	17,379
Northern Canada Mines Limited			
3,000 shares	7,007	1,950	—
	<u>14,450</u>	<u>4,374</u>	<u>17,379</u>

No provision has been made in these financial statements for a write down in the value of the investments in and advances to other mining companies.

2. Mining properties:

These consist of:

- (a) A group of 47 claims located in the Laurentides Mining Division, Township of Bourlamaque, Quebec.
- (b) A 15% interest in 1,080 mineral claims in the Victoria Island Area of the Northwest Territories was acquired during 1968 for a consideration of \$10,811.

3. The amounts shown for mining properties and deferred expenditures represent costs to date less amounts written off and are not intended to reflect present or future values.

4. Since its incorporation on November 21, 1938 the company has issued the following shares:

	Number of shares	Par value	Discount	Net
		\$	\$	\$
For cash	1,326,288	1,326,288	1,002,156	324,132
For services	41,223	41,223	35,194	6,029
For mining claims	312,500	312,500	293,750	18,750
	<u>1,680,011</u>	<u>1,680,011</u>	<u>1,331,100</u>	<u>348,911</u>

Statement of Deficit

FOR THE YEAR ENDED DECEMBER 31, 1969

	1969	1968
	\$	\$
Balance — beginning of year	292,324	292,324
Mining claims — written off	496	—
Deferred expenditures thereon	2,591	—
	3,087	—
Balance — end of year	<u>295,411</u>	<u>292,324</u>

FIRST ORENADA MINES LIMITED
 (No Personal Liability)

Statement of Deferred Expenditures
FOR THE YEAR ENDED DECEMBER 31, 1969

	1969	1968
	\$	\$
Balance — beginning of year	<u>396,588</u>	<u>366,697</u>
 Exploration		
Diamond drilling	18,498	—
Surface exploration	(62)	10,253
Assaying	495	14
Maps and blueprints	92	154
Mining licences	1,499	1,798
Surveys	2,457	1,124
Travel expense — mine	174	—
Camp and cookery	—	—
	23,153	13,343
 Deduct:		
Amount written off on abandonment of claims	2,591	—
	20,562	13,343
	<u>417,150</u>	<u>380,040</u>
 Administrative and general		
Advertising	—	101
Legal and audit	476	3,546
Interest and bank charges	5	2
Head office expense	3,174	3,712
Postage and office supplies	329	1,539
General expense	4	133
Security registration fees	225	770
Telephone and telegraph	97	144
Transfer agent and registrar fees	1,491	3,247
Travel expenses	198	157
Capital and place of business tax	60	85
Shareholders' reports	1,058	1,278
Directors' fees	700	1,800
Executive salary	6,000	2,000
	13,817	18,514
 Interest earned		
	4,504	1,966
	9,313	16,548
 Balance —end of year	<u>426,463</u>	<u>396,588</u>

FIRST ORENADA MINES LIMITED
(No Personal Liability)

Statement of Source and Use of Funds
FOR THE YEAR ENDED DECEMBER 31, 1969

	1969	1968
	\$	\$
Source of funds		
Proceeds from sale of shares	—	98,502
Repayment of long-term advance	—	18,585
	<hr/>	<hr/>
	117,087	
Use of funds		
Deferred expenditures — net	32,466	29,891
Purchase of mining properties	81	10,811
Purchase of shares — Captain Mines Limited	—	343
	<hr/>	<hr/>
	32,547	41,045
Increase (decrease) in working capital	(32,547)	76,042
Working capital — beginning of year	92,975	16,933
Working capital — end of year	60,428	92,975
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